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H.E.H. the Nizam's Government



Some Economic Facts and Figures
of

H.E.H. the Nizam's Dominions

(Prepared for the
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MADRAS

SOME ECONOMIC FACTS AND FIGURES OF H.E.H. THE NIZAM'S DOMINIONS.

Area and Population.

THE Nizam's territory is the largest State in India. The country (excluding the Berars, area 17,789 square miles and population $3\frac{1}{2}$ millions) is as extensive as the Bengal Presidency. It has a population of 14,436,138 which on an area of 82,698 square miles yields a density of 175 persons per square mile. The actual population for the last five decades is :—

Year	Population	Density
1891	11,537,040	140
1901	11,141,142	135
1911	13,374,676	162
1921	12,471,770	151
1931	14,436,148	175

Physical Aspects.

About two-thirds of the Dominions consist of a large plateau with an elevation varying from 1,250 and 3,000 feet above the sea level. The remaining portion lies at a lower level reaching down to 350 ft. above sea level. The State is divided into two nearly equal portions ; the basaltic trap area in the north and west and the archæan granitoid gneissic and limestone region in the south and east. There is a corresponding agreement between the geological and ethnological aspects of the country, the Godavari and the Manjira separating the Maratha race of the north and west from the Telugu and Kanarese peoples of the south and east. These two main divisions known as Marathwara and Telingana also differ in their physical features. The Maratha tract has flat plains of black coloured fertile soil and ranges of low-lying hills mostly covered with vegetation. The characteristics of the Telingana country are reddish brown coloured undulating tracts with here and there barren isolated hills. The soil derived from their composition is sandy and does not possess that fertility which is seen in the trap districts of the Marathwara, where the soil is produced by the decomposition of basic trap rocks and is retentive of moisture and therefore very fertile.

Climate and Rainfall.

The climate of the Dominions is pleasant and agreeable during the greater part of the year. The mean temperature is about 81 degrees, the maximum in summer at Hyderabad being 112 degrees and the minimum in winter being 59 degrees; in low-lying parts of Telingana the maximum temperature in summer often rises to above 120° F. The year may be divided into three seasons. The rainy season, beginning from early June, lasts to the end of September, and is immediately followed by the cold season, which continues till the middle of February. This latter is succeeded by the hot season, which lasts till the end of May. The average annual rainfall is 30.28" according to the figures of rainfall for the last 40 years; the normal for Marathwara being 28.20" and for Telingana being 32.37". The distribution of the rainfall is capricious. Some of the Telingana tracts in the north-east corner receive from 40 to 50 inches of rain, while the Karnatic districts in the south-west corner, with an average not exceeding 25 inches, suffer from frequent visitations of drought about once in five years.

South-west Monsoon :—As elsewhere in Southern India, the advent of the south-west monsoon in June marks the commencement of the period of heaviest rainfall, which continues till the end of September, the country receiving by far the greater part of its rain during this period. The normal of the last 40 years being 24.96".

North-east Monsoon :—During the first half of the cold season, from October to November, the north-east monsoon brings from 4 to 7 inches of rain. These showers, though small in amount, have a great fertilising effect, especially in the wheat and cotton growing districts of Marathwara and Karnatic, and are of great agricultural value.

Intermediate Period :—The hot weather, from February to May, is a period of heat, storms and lightning, sometimes accompanied by hail. During this period also the country receives some rain from which is known as "Mango Showers." The 40 years' normal for this period is 2.68".

[*Statement.*

District average rainfall $\frac{1340-1341 \text{ F.}}{1930-1931}$ *to* $\frac{1344-1345 \text{ F.}}{1934-1935}$
(Year Amardad to Tir or June to May.)

Districts	1340-41 F. 1930-31	1341-42 F. 1931-32	1342-43 F. 1932-33	1343-44 F. 1933-34	1344-45 F. 1934-35	Normal
1	2	3	4	5	6	7
1. Warangal	46.74	42.13	44.39	41.23	40.86	35.61
2. Karim-nagar.	44.55	41.04	43.83	38.97	40.04	33.00
3. Adilabad.	51.96	50.30	52.67	43.54	45.95	39.04
4. Medak ..	39.78	34.80	43.86	33.68	36.70	33.36
5. Nizam-abad.	45.94	40.22	44.74	34.89	36.12	36.35
6. Baghat ..	34.57	29.35	34.40	20.90	27.24	29.41
7. Mahbub-nagar.	30.50	37.29	35.16	29.56	35.08	26.10
8. Nalgonda	28.23	29.17	26.60	24.05	24.71	26.81
9. Atrang-abad.	43.03	34.05	33.81	31.98	22.16	26.73
10. Bir ..	38.85	35.86	31.67	34.04	35.02	26.95
11. Nander ..	45.60	36.13	42.05	36.42	35.50	32.48
12. Parbhani.	51.19	38.30	42.50	39.43	35.85	32.00
13. Gulbarga.	26.71	34.90	32.22	25.72	31.90	26.87
14. Osman-abad	33.90	35.59	33.42	35.37	35.74	28.70
15. Raichur.	22.28	28.91	29.23	20.08	26.57	22.11
16. Bidar ..	42.64	36.32	41.18	35.94	41.03	29.50
Average for Dominions ..	39.16	36.52	38.23	32.86	35.09	30.31

Drainage of the Country and Irrigation.

The main drainage of the country is from north-west to south-east. The principal river systems are those of the Godavari, the Krishna and the Tungabhadra. The Godavari has four tributaries, of which the Manjira feeds the Nizam Sagar reservoir. The Krishna has six tributaries, of which the Tungabhadra is the chief. The tributaries generally dry up in summer and are not navigable. There are a number of irrigation projects under preparation or prepared by which it is intended to bund these rivers and cut broad canals from which large areas can be irrigated. There are no natural lakes in the Dominions but from the earliest times advantage has been taken of the undulating character of the country to dam up low grounds or across two hills, above which the drainage of a large area is collected. Of such lakes the Pakhal lake is one of the earliest in modern times, and the Nizam Sagar the latest. Such artificial reservoirs are peculiar to the Telingana country. They are not found in the trap region, where the soil is too deep and porous. The total number of large and medium sized tanks is 5,456 and that of minor tanks is 15,801. The number of wells is about 1.67 lakhs many of which are used for irrigation purposes. The average irrigated area during the quinquennium 1925-30 was 11.26 lakhs of acres and during 1931-35 was 15.13 lakhs acres, showing an increase of 34 per cent.

Mineral Resources.

The chief mineral products of Hyderabad are coal, gold, cement, marble, mica, garnet. and Shahabad limestone.

(a) *Coal*.—The progressive mineral developments especially of the chief mineral coal and the modern methods of its working have opened an interesting chapter in the mining history of Hyderabad.

The Singareni Collieries are being worked by the Singareni Collieries Company Ltd., since 1886. The labour population of the Singareni Collieries has been increasing and the latest returns puts the number of employees at 10,000. Educational facilities have been provided by the opening of primary and secondary schools by Government within the colliery areas. The output of coal was 4 per cent. of the total of British India in 1934.

The coal is considered to be of good quality and apart from domestic use is utilised largely by Railways and industrial and commercial firms.

The following table shows the output and value of the collieries worked by the Singareni Collieries Company Ltd., and those of Sasti and Paoni :—

Output and value of coal from the Singareni Collieries at Singareni, Kanala, Tandur and Sasti during the five quinquenniums from 1910 to 1935.

Years		Output in tons	Value in Rs.
1910-14	.. ..	2,601,329	1,56,07,974
1915-19	.. ..	3,204,061	1,63,28,341
1920-24	.. ..	2,327,888	2,18,89,359
1925-29	.. ..	3,565,535	2,16,17,971
1930-34	.. ..	3,877,341	1,87,60,576

(b) *Gold*.—The maximum output of gold from the Hyderabad State had risen in 1908 from 1.7 per cent. to 2.9 per cent. of the whole of India, making the Kolar Gold Field of Mysore to drop from 99.6 per cent. to 94.4 per cent. of the total Indian output.

The following table shows the output and value between the years 1914 and 1920, giving an average annual output of 15,105 ozs. of fine gold :—

Years		Output in Ozs.	Value in Rs.
1910-1914	.. ..	63,228	33,40,300
1915-1919	.. ..	72,144	41,63,170
1920-1924	.. ..	12,390	5,88,695

These mines closed down in 1920 on account of mining operations becoming unremunerative but steps are being taken by Government to secure, if this be commercially practical, their reopening.

(c) *Garnet*.—The following table shows the output and income realised on these for the years 1910-1929.

Years	Output in pounds	Income Rs.
1910-1914	13,680	7,798
1915-1919	232,612	1,02,580
1920-1924	62,517	47,218
1925-1929	28,443	8,822

(d) *Marble*:—Marble exists in certain areas of the Warangal district. The specimens so far furnished to the public resemble the material found in Northern India. The areas were leased out in 1930 (1339 F.), and the lessees who have been proceeding with the installation of their plant reported a small output in 1935. It is expected that the marble will shortly be in the market for decorative building purposes.

It is reported that between 25,000 to 30,000 tons of marble can be quarried from the quarries and that 5,000 tons of it compare favourably with good Italian marble. White striped, or mottled, black, grey and yellow are the marbles procurable.

(e) *Cement*:—The manufacture of cement was started in the year 1925 with a capital of Rs. 35,00,000, the works being located at Shahabad in Gulbarga district on the G.I.P. Railway. The factory has modern efficient power plant.

The annual rated output of cement is 1,40,000 tons. The raw materials used are Shahabad limestone, black clay and coal.

The following shows the production of cement for the last five years :—

1931-32 (1341 F.)	.. Tons.	130,800
1932-33 (1342 F.)	.. ..	109,459
1933-34 (1343 F.)	.. ..	96,448
1934-35 (1344 F.)	.. ..	107,508
1935-36 (1345 F.)	.. ..	125,945

(f) *Shahabad Stone* :—There are a number of quarries of good Shahabad stones of various shades of colour and a considerable export trade now exists.

(g) *Lime Nodules* :—These are of good quality and are abundant in Telingana and Marathwara.

Forest Resources.

The Marathwara districts contain little good forest growth but in parts of Telingana fine sized timber trees are available. The principal timber trees are teak, shisham, bijasal and eppa. Date and palmyra trees are scattered all over the country.

Forest Area :—The area of open, protected and reserved State forest is about 9,698 square miles, representing roughly 12 per cent. of the total area of the Dominions, an area equal to 10 per cent. of the total forest area of British India. Reserved forests at present cover 1,43,000 acres, protected forests 4,898,000 acres and open forests 1,166,000 acres. There are also extensive forest areas of poor quality in certain of the larger jagirs.

The continuous increase of gross revenue from forests is evident from the following set of figures :—

1881 (1290 F.)	..	Rs.	1,09,354
1935 (1344 F.)	..	„	13,56,402

Timber and firewood worth Rs. 11.87 thousand were extracted two years ago (1935), the value of minor produces being separate. Apart from constructional work generally, the bulk of the timber is consumed by the railway, mostly in the form of sleepers.

Year			Value of Import Rs. in thousand	Value of Export Rs. in thousand
1932-33 (1342 F.)	..	..	11.62	6.00
1933-34 (1343 F.)	..	..	11.86	5.48
1934-35 (1344 F.)	..	..	12.77	6.26
1935-36 (1345 F.)	..	..	11.45	5.62

Extraction, conversion and utilisation of timber as well as the extraction and preparation of minor produce gives employment to nearly 45,000 persons. About five and a half million acres of the forest area are open to cattle grazing. The Department have constructed some hundred of miles of forest roads to facilitate the transport and marketing of forest produces.

Last year besides the wood and timber worth 5.62 lakhs, the other forest produces exported were tendu leaves, sandal and bamboo, worth Rs. 9 lakhs, and dyeing and tanning materials worth 3.23 lakhs.

There is a scheme of paper manufacture from the pulp of bamboo which is found in abundance in Adilabad district. A company with an authorised capital of Rs. 35 lakhs is under contemplation.

Agricultural Resources.

The present world-wide economic crisis had been so intense that some agriculturists had to abandon their traditional calling and their farms have gone to their creditors. In order to safeguard the interests of agriculturists Government introduced a land alienation regulation in two districts in 1935 and its extension to other districts is under consideration. Similarly remission of a crore of rupees of land revenue has been sanctioned to ease the burden of the cultivators during the present economic depression. Among other measures adopted for the improvement of agriculture have been :—

(a) The dry rate of assessment is allowed in the case of lands irrigated from private wells.

(b) The grazing cess in open forest areas was abolished in 1933.

(c) Large amounts of Taccavi have been distributed for the construction of wells, purchase of bullocks, and improvements of farm lands also in the shape of improved seeds, implements, manures, insecticides and fungicides.

(d) Many irrigation projects have been carried out and other famine protective and relief measures have been taken, *e.g.*, the construction of 1,527 wells in the last 7 years in one district alone (Raichur) at a cost of 22 lakhs.

Out of the total area of the Dominions, 530 lakhs of acres or 58 per cent. are Diwani or Government lands and 42 per cent. belong to Sarf-i-Khas (Crown) and jagirs.

The area under cultivation last year, 1935-36 (1345 F.) was 291 lakhs of acres as compared with 96 lakhs of acres sixty years ago. Principal food and pulse crops occupied 65 per cent., oilseeds 11.5 per cent., cotton 12.5 per cent. and other crops 11 per cent.

Of the total cultivated area, 94 per cent. are devoted to rainfed or dry crops. The wet area is nearly 6 per cent., largely in Telingana districts where irrigation sources are in abundance. The number of cultivators in the Diwani area is 12.41 lakhs as compared with 11.00 lakhs ten years ago. While the occupied area under Government remained nearly stationary during the last ten years, the number of cultivators has increased by 11 per cent. Both

in Marathwara and Telingana the average size of the holding has shrunk during the last ten years.

Year	Acres occupied in lakhs	Total cultivators in lakhs	SIZE OF HOLDING			
			MARATHWARA		TELANGANA	
			Dry	Wet	Dry	Wet
1926 (1935 F.)	216.85	11.00	23.50	0.50	14.0	1.75
1936 (1945 F.)	217.38	12.41	21.15	0.41	12.26	1.59

What an important part Hyderabad plays in the agricultural economy of India may be realised from the fact that the position of these Dominions in regard to castor is first (48 per cent.) so also jawar (27 per cent.), cotton is third (15 per cent.), sesamum is third (9.6 per cent.), linseed is fourth (9 per cent.) and groundnut is third (14.7 per cent.) of the total areas under the respective crops in India. Details are set forth in the statement below. It is estimated that there are still about 16 lakhs of acres under Government available for cultivation. But it is assumed to be of second and third rate in fertility.

Comparison of gross area under principal crops in 1935-36 and ten years before i. e., 1925-1926 in lakhs of acres.

<i>Food crops.</i>			1935-1936	1925-1926
1. Rice ..	..	..	10.64	8.46
2. Wheat ..	..	..	12.47	8.44
3. Barley ..	..	..	0.36	0.67
4. Jawar..	..	..	87.99	90.44
5. Bajra ..	..	..	21.98	28.52
6. Ragi ..	..	..	3.07	3.83
7. Maize ..	..	..	6.75	5.94
8. Gram ..	..	..	12.72	8.21
9. Others ..	..	..	33.94	23.35
Total food crops			189.92	177.86

<i>Oil seeds.</i>			1935-36	1925-26
1.	Linseed	.. ..	4.16	1.78
2.	Sesamum	.. ..	5.88	5.21
3.	Rape & Mustard	.. ..	0.13	0.10
4.	Groundnut	.. ..	10.59	1.90
5.	Castor	.. ..	8.33	6.73
6.	Others	.. ..	5.62	2.83
Total oilseeds			34.71	18.55
<i>Fibres.</i>				
1.	Cotton	.. ..	36.98	37.81
2.	Jute (sann)	.. ..	0.70	0.50
Total fibres			37.68	38.31
<i>Sugar, etc.</i>				
1.	Condiments and spices	.. ..	7.61	1.24
2.	Sugarcane	.. ..	0.58	0.55
Total sugar, etc.			8.19	1.79
1.	Tobacco	.. ..	0.72	1.55
2.	Fodder crops	.. ..	11.84	12.81
3.	Fruits and vegetables	.. ..	7.05	2.97
4.	Miscellaneous	.. ..	5.36	8.74
Grand total			295.47	202.58

STATEMENT SHOWING THE PRODUCE AND THE VALUE OF PRINCIPAL CROPS.

Crops	Produce in thousands		Market rate per unit in Rs.			Total value of the crop in lakhs of Rupees	
	1935-36 (1945 F.)	1925-26 (1935 F.)	1935-36 (1945 F.)	1925-26 (1935 F.)	Unit	1935-36 (1945 F.)	1925-26 (1935 F.)
Cotton	Bales 569 Tons	Bales 1,060 Tons	19 13 0	24 13 0	*Maund	564	1,316
Wheat	189	74	11 15 0	27 15 0	†Palla	155	193
Rice	336	418	15 7 0	27 0 0	do	484	1,053
Jawar	1,100	1,112	8 2 0	12 5 0	do	884	1,278
Groundnut ..	287	16	16 8 0	..	..	442	..
Sesamum ..	35	33	20 2 0	29 7 0	do	66	90
Linseed	33	16	4 7 0	8 11 0	*Maund	42	38
Castor	57	62	3 9 0	6 11 0	do	57	116
					Total ..	2,641	4,084

* Maund=80 lbs. † Palla. =240 lbs.

The method of cultivation has remained practically unchanged for generations. Wooden ploughs are the principal implements used. The Department of Agriculture for the last twenty years is popularising improved types of iron ploughs. The present number in use is 55,509.

The standard of soil fertility is good. The soil resources have been tapped continuously for centuries with scarcely any change or addition to the soil other than that offered by the scanty contribution of organic manure. The Department of Agriculture is demonstrating the manurial value of castor and groundnut cakes, and the use of artificial manures especially in the paddy and sugarcane growing centres.

Botanical researches are carried on by the Department to evolve better types of plants for a larger outturn. Rice, castor, wheat, jawar and cotton are the principal crops now dealt with, and the results are demonstrated to the ryots in the neighbourhood and published for general information. Chemical and entomological experiments and investigations into the damage caused by insect pests to crops, such as cotton and sugarcane, jawar and castor are also in progress.

The Agricultural Department further lends boring machines for well-boring and gives advice for the use of power pumping plants. The Department also supplies agricultural seeds, manures and implements.

Livestock wealth.

In this country cattle supply the motive power for ploughing, lift irrigation, carting of manure to fields and field produce to markets.

Cattle.—According to the recent Census of 1935 there are 13 million cattle (oxen and buffaloes). The present number works out at 91 head of cattle per 100 of population or 25 per 100 acres of land *i.e.*, 157 on a square mile of territory.

Classes	Oxen	Buffaloes
Breeding bulls (adult)	.. 67,537	71,181
Working bullocks ..	.. 3,595,335	408,730
Useless animals ..	.. 325,677	58,501
Breeding cows ..	.. 2,360,755	1,088,228
Working cows ..	.. 352,223	137,698
Useless cows ..	.. 285,610	89,259
Young stock ..	.. 2,931,334	1,236,214

From the above it is evident that both in the oxen and buffalo categories a large percentage of animals, unfit for breeding or work, is maintained.

Since 1925 the number of working bullocks has advanced by 11.8 per cent. and works out at 18 acres of land per pair, whereas in Madras the acreage per pair of bullocks is 14 and Bombay 21.

Of the number of cows, 9.6 per cent. are unfit for work or for breeding and the census data show that 11.8 per cent. are used for work. The proportion of milch cows to human population is 16 per 100.

Buffaloes do a large share of field work and also contribute the larger share of the milk and ghee supply of the population. Of the he-buffaloes, 13.2 per cent. are breeding bulls, 76 per cent. working animals and 10.8 are useless. In Telingana, where wet cultivation is done on a large scale, the buffalo is the better suited animal. Of the total she-buffaloes, 82.7 per cent. are for breeding and milking purposes, 10.5 per cent. are working animals and 6.8 per cent. useless. ✓

Grazing areas.—Cattle graze on cultivated fields, after the harvest and pick up whatever there is left. They also graze on current fallows. In Marathwara cattle find pasture on the broad boundary lines between adjoining fields. Grass on field borders and along water courses and the stubble of crops are also grazed. The estimated grazing land is 35 per cent. of the net area sown. To that may be added 90 per cent. of the forest areas.

Breed of cattle.—In these Dominions are found several good breeds of cattle. The Deccani is the common breed met with throughout the Telingana and the Karnatic districts. The bulls and bullocks are short, hardy animals and the price of a pair ranges from Rs. 70 to Rs. 100. Cows are poor milkers. The Deoni is an indigenous stock in the heavy black soil tracts. The bullocks are massive and slow of movement but reliable in the fields and on the road. A pair of good bullocks costs between Rs. 350 and 400 ; cows are good milkers yielding 6 to 8 seers a day. Ongole or Nellore breed bullocks are noted for their power of endurance. Their price varies between Rs. 350 and Rs. 400, while the cow is a generous milker giving 5 to 6 seers a day. The average price of a cow is Rs. 150. The Krishna valley in Raichur and Amrabad in Mahbubnagar are also indigenous. The local species of buffaloes are Mahori, Marathwari and Deccani.

Cattle breeding.—Of the total number of adult bulls and bullocks (oxen), 1.7 per cent. are breeding bulls and the proportion of bulls to cows is 1 to 40.

Banjaras, Gonds and some Reddies in the State have cattle breeding as their profession, their total number being 57 thousand. They keep indigenous bulls as a rule but in some cases bulls of good strain are imported, e.g., from Bangalore & Bezwada. Government have two cattle breeding farms ; 25 good class of stud bulls were distributed to different centres in 1935.

Veterinary Measures.—The Veterinary Department is primarily engaged in combating causes of infectious diseases and taking curative methods, the principal diseases prevalent being rinderpest, foot and mouth, black quarter and anthrax among bovines and surra among equines.

By means of intensive serum-simultaneous and goat-virus inoculations during the last five years the

Department has been able to reduce the mortality from rinderpest among cattle. There are 85 Veterinary dispensaries in the Dominions which, in 1934-35 (1344 F.), treated 261,970 cases. The number of preventive inoculations performed was 219,000.

Sheep and Goats :—Mixed flocks of sheep and goats are reared all over the country. For meat, manure, wool, skin and bones they are much prized. As milkers at the rate of 4 to 6 lbs., per day, certain types of goats are of great value and can well be called the poor man's cows.

The number of these animals in lakhs in 1935 Census was :—

			Telingana	Marathwara	Total
Sheep	..	..	42.07	17.29	59.86
Goats	..	..	20.60	13.13	33.73
Total	..	..	62.67	30.42	93.09

Transactions in Livestock.—Hyderabad does an appreciable volume of trade in cattle.

		Number		Value	
		1935-36 (1345 F.)	1934-35 (1344 F.)	1935-36 (1345 F.)	1934-35 (1344 F.)
<i>Imports.</i>				Rs.	Rs.
Cattle horned	..	41,512	39,974	10,46,202	10,15,714
Sheep & Goats	..	11,215	10,453	84,143	81,580
Other animals	..	3,159	2,655	1,05,902	1,01,651
Total	..	55,886	53,082	11,86,247	11,48,945
<i>Exports.</i>					
Cattle horned	..	48,382	63,158	10,92,664	12,55,062
Sheep & Goats	..	303,049	245,374	15,15,304	12,26,924
Other animals	..	3,984	4,004	59,843	79,598
Total	..	355,415	351,536	26,67,811	25,61,584

Raw sheep wool was exported for the declared value of Rs. 3 lakhs in 1935-36 (1345 F.), and that of manufactures, blanket carpets and rugs was valued at Rs. 4 lakhs in the same year.

Bones are exported in large quantities, the quantity thus consigned during the past quinquennium was worth three-fourth of a lakh of rupees annually.

There were in the State during the last census 74 dairy establishments and this industry is making rapid progress. The yield of milk from a cow ranges between 2 to 14 lbs., and that from a buffalo 8 to 18 lbs. per diem.

The chief animals, on which the dairy industry depends are buffaloes which are more in number in Telingana than in Marathwara. This industry as a model for those interested and indulged in this line is carried on in the Government Dairy Farm on scientific and hygienic principles. The export trade in ghee and butter was of Rs. 118 thousand in value in the year 1935-36 (1345 F.) and that of import amounted to about Rs. 100 thousand. Hides and skins—raw and tanned—are exported in considerable quantities. In 1935-36 (1345 F.) the value of export of leather, hides and skins amounted to Rs. 41½ lakhs.

People and Castes.

History.—The Deccan, within which lie the Dominions of His Exalted Highness the Nizam, having been the scene of numerous conflicts of races for political supremacy many racial elements have entered into the composition of the population.

Speaking broadly, the races who are culturally and racially primitive still inhabit dense jungles and semi-open plains. The higher and more progressive races are found in the alluvial regions. The latter constitute the main body of the population in the Deccan.

The population of the Dominions according to the Census of 1931 was 14,436,148 showing an increase of 46.6 per cent. during the last 50 years. In the Telingana division there are 7½ millions and in Marathwara 6 4/5 millions.

Density.—The average density of the population over the whole of the Dominions is 175 per square mile. In the Telingana region the density is 189 and in Marathwara 170.

Among the 16 civil districts into which these Dominions are divided for administrative purposes, Medak is the most densely populated area having 231 persons to the square mile.

Religions.—Hindus in the State represent 84.4 per cent. of the population. They are subdivided into Brahmanic-Hindus and Adi-Hindus, the former forming 67 per cent. and the latter 17 per cent. of the total population. Muslims are 10.6 per cent., Christians 1.1 per cent. and others 4 per cent. The Animists number $5\frac{1}{2}$ lakhs.

Population Centres.—There are 133 towns, where 11 per cent. of population live, and 21,697 villages where 89 per cent. live.

Size	Telingana No. of villages	Average population	Marath- wara No. of villages	Average population
Below 500 persons	5,325	201	7,276	244
Between 500 & 1,000.	2,491	718	2,948	689
Do 1,000 & 2,000.	1,723	1,391	1,085	1,352
Do 2,000 & 5,000.	525	2,668	324	2,789

Sexes.—There are 958 females for every 1,000 males; while districtwar, there are 981 females in Raichur representing the Karnatic division, 967 in Nander, a typical Marathwara district and 988 in Nizamabad a Telingana district for each 1,000 males.

Age-Unit.—The effective age-period for India being between 15 and 40, in that group are found 40.6 per cent. of the population, as compared with 40 per cent. in India, 53 per. cent in France and 60 per cent. in England.

Age	TOTAL POPULATION IN THOUSANDS			Age	TOTAL POPULATION IN THOUSANDS		
	Persons	Males	Females		Persons	Males	Females
0-5 ..	2,428	1,159	1,269	35-40	890	475	415
5-10 ..	1,758	914	843	40-45	756	406	349
10-15 ..	1,575	827	748	45-50	594	324	268
15-20 ..	1,294	639	656	50-55	473	257	216
20-25 ..	1,361	673	688	55-60	352	186	166
25-30 ..	1,260	635	624	60-65	289	148	141
30-35 ..	1,060	554	507	65-70	151	77	74
				70 & over.	195	95	100

The registration of births and deaths not being compulsory, the villagewari figures cannot be considered satisfactory. The great decline in the number between 0-5 and 5-10 age groups is striking and indicates the higher rate of mortality among infants. The high infantile mortality coupled with the comparatively high rate among adult females, lowers the mean age of the population to 26.9 for males and 25.8 for females. This, however, is an improvement upon the previous decades. The mean ages of the different communities are :—

Communities	1931		1891	
	Males	Females	Males	Females
Hyderabad State	26.9	25.8	24.6	24.8
Hindus	26.0	25.6	24.3	24.2
Muslims	26.4	25.9	25.6	25.1
Christians	25.7	23.8	24.0	22.2

Occupation.—The number of earners and dependants per 1,000 of population of the State is given below :—

Occupation	Real earners	Depend-ants	Total	Total earners and dependants
	1931	1931	1931	1921
Agriculture (including exploitation of animals and vegetation)	270	301	571	555
Exploitation of minerals ..	2	2	4	1
Industry	49	56	105	140
Transport	21	24	45	16
Trade	55	61	116	98
Public Force	4	4	8	18
Administration	13	..	13	27
Profession and Liberal Arts ..	9	10	19	16
Persons living on their own income	1	2	3	..
Domestic service	32	37	69	28
Non-productive	12	10	22	27
Unspecified	25	..	25	74
Total ..	493	507	1,000	1,000

Marathwara leads Telingana in agriculture and animal exploitation, while the latter has a large proportion of mineral workers, for almost all important mineral deposits are found in that area. Industry is very largely centred in Telingana.

Money-lending. —Money-lending is a thriving business for 22,343 persons, of whom 10 per cent. are in the City of Hyderabad. 14 per cent. of the persons engaged in banking, money lending and exchange are women. The preponderance of money-lenders in the rural area is significant. 71 per cent. are in the villages of Marathwara districts where the cotton trade is important. Co-operative credit societies have touched only the fringe of the agricultural and trading population as yet. In the rural parts money-lending and grain dealing are so inseparably combined in one person, that a co-operative society, however well organised, will find it very difficult to compete.

Money lending as a calling is not followed by any one caste. Hindus, Muslims, Christians, Zoroastrians, Sikhs and Jains all contribute to the total number of money-lenders, but Brahmanic-Hindus alone account for 84 per cent.

Castes. —Disintegrating forces are at work as a result of ~~modern~~ modern education and civilisation, and these have now permeated the life of the people. By the expansion of education and industries all over the country and the development of communication by road and rail, all classes of people are given equal opportunities to develop individual initiative and enterprise. Brahmins are turning to agriculture, trade, medicines and every other form of occupation. Chamars, Dhers and other kindred castes are giving up their traditional calling and are engaged as cultivators, field labourers and in factories. Thus the abandonment of the traditional occupations has become a notable feature of Hindu society in the recent past.

A new order of economic life has dawned upon the country. Freedom of contact and free play of competition, a more rational division of labour, the growth of the regulated markets and the increasing use of machinery, the organisation of large scale industries requiring resources, the mobility of skilled and unskilled labour at factories the development of credit and credit facilities

are some of the characteristics of the new order. As a result of these new forces the village community is in a state of transition. The introduction into the villages of machine-made cloth, tea, sugar, umbrellas, and gramophone; the levelling up of prices by importation of commodities, the commercialisation of agriculture, the substitution of cash payment for grain for services rendered are features of the village in transition.

Education.

The rapid progress of education during the last 25 years may be gauged from the fact that the number of pupils under instruction has increased from 66,484 to 3,53,582 in 1935, and the amount spent for the purpose from Rs. 14 lakhs to nearly a crore. There is a net work of primary schools—Government, Local Fund, Aided and Unaided—special schools for the depressed classes, and institutions for imparting vocational education, middle and high schools for boys and girls in all tahsils and district towns with an efficient staff to man them, an Intermediate College at every subah headquarters and the University with feeder institutions for men and women.

Primary education received an impetus in 1915, when most of the villages with a population of 1,000 were provided with a school. In 1921-22 by a Firman of H.E.H. the Nizam primary education was declared free. During the last 25 years the number of primary schools has increased from 921 to 4,368 and the number of pupils from 48,113 to 273,097; the expenditure having risen from Rs. 2,81,693, to Rs. 25,88,941. A feature of the primary education is the imparting of knowledge through the medium of the child's mother tongue.

The number of middle and high schools has increased during the last 25 years from 88 to 184 and that of scholars from 16,326 to 69,843; the cost of maintenance has risen from Rs. 4,70,509 to Rs. 30,96,262 in the same period.

The number of institutes for imparting industries and technical education has risen from 6 to 11 during the last 25 years.

In 1914 a large number of girls' schools were opened and arrangements were made to provide qualified women teachers by establishing 4 training schools in the four

language centres, of the Dominions. The present number of girls' primary schools is 674 with 41,213 pupils ; middle 17 with 3,552 pupils ; high schools 8 with 2,867 pupils and first grade college 1 with 33 scholars.

For the education of the depressed classes, special schools were opened in 1916 and the present number of such institutes is 101 with 3,514 pupils. A further step towards the amelioration of illiteracy was the arrangement made for imparting education to adults. The present number of schools in the City of Hyderabad and districts for the exclusive use of adults is 49, of which 25 are aided and 24 unaided recognised institutes, the total number of pupils being 1,761.

When the time came for establishing the Osmania University, in the beginning a Translation Bureau was opened in 1918 for producing text books in Urdu, necessary for the first year college classes. The University College was opened in the following year ; meanwhile the Translation Bureau was busy translating text books for the 2nd year course and so on. The First Osmania Matriculation Examination was held in 1918, the first Intermediate Examination in 1921 and the first B. A. Examination in 1923. The faculties of Engineering and Medicine were added in 1929. Now there are 9 colleges under the Osmania University with a total strength of 1,379 students, of whom 75 per cent. are in the faculties of Arts and Science, the total expenditure being Rs. 20.5 lakhs.

At the Nizam College English is the medium of instruction ; it is affiliated to the Madras University.

Famine Relief Measures.

From the years noted below it will be seen that famines are of common occurrence in Hyderabad State, mostly due to the failure of monsoon rains :—

14th Century	..	1396 A.D.
15th do	..	1472
16th do	..	
17th do	..	1629-30
18th do	..	
19th do	..	(1) 1802-3, (2) 1854-55, (3) 1866-67, (4) 1871, (5) 1876-77, (6) 1896-97, (7) 1899.
20th do	..	(1) 1906, (2) 1912-13, (3) 1918-19, (4) 1920-21.

The Government had to keep a careful watch over the situation in the affected areas not only of Hyderabad State but also of adjoining British territory and before the tide of distress had approached Hyderabad, relief measures were organised. A programme of relief works was drawn up, a central relief committee formed and in case of necessity special Famine Commissioners were appointed and sent to the affected areas.

The main principles laid down by Government in dealing with the situation were that there should be no interference with private trade, that where agricultural operations had been suspended on account of drought there should be opened such works on roads, wells and tanks as would be of permanent value to agriculture and trade and that in the districts where the yield of crops had not fallen below the average no public works should be carried out.

Famine Reserve Fund.—The Government have built up a famine reserve fund since 1923 (1332 F.) at the rate of Rs. 15 lakhs a year and by the preventive and protective measures all that is humanly possible is done to mitigate the evils of scarcity when it occurs. A Famine and Scarcity Manual has been recently prepared.

Expansion of irrigation sources, grant of taccavi loans, provision of fodder for cattle, remission of land revenue, transport of grain and control of prices, relief works for the unemployed and free supply of grain and even in years of extreme distress of cooked food to the weak and aged are some of the principal measures taken on such visitations.

Rural indebtedness.

An officer has recently been on special duty to examine the extent of rural indebtedness. Other steps which should be taken to alleviate the burden of debt which with the accumulation of interest charges in the years of the present economic depression have led in an increasing extent to the transfer of holdings from agriculturists to non-agriculturist creditors. His report and recommendation are now under consideration of Government.

Labour.

Of the two classes of labourers—agricultural and industrial—the position of the former is inferior partly

because agriculture is inferior to the manufacturing and distributing industries in the power of organisation and collective bargaining and partly because the agricultural industry is comparatively less remunerative. According to the last Census the agricultural labourers numbered 1,319 thousand, which means, 3 labourers for every 4 land-owning cultivators. Employment on the land is casual and seasonal. In the non-agricultural season, a number of farm servants and field labourers are engaged as cart drivers, rope makers, messengers, watchmen and graziers. It becomes necessary for a number of them to migrate to towns and cities in search of work during the non-agricultural season.

The Government of Hyderabad takes a quinquennial Census of wages of urban and rural, skilled and unskilled, artisans, labourers, and farm servants. According to the recent Census the daily average cash wage paid to the different classes of field labourers is as follows :—

	Ploughmen	Sowers & Transplanters		Weeders		Reapers	
		Males	Females	Males	Females	Males	Females
Telingana ..	0 3 2	0 3 9	0 2 4	0 2 11	0 2 2	0 3 9	0 2 0
Marathwara ..	0 4 8	0 4 10	0 2 11	0 3 11	0 2 2	0 4 9	0 3 1
Dominions('35)	0 3 11	0 4 4	0 2 8	0 3 5	0 2 2	0 4 3	0 2 1
Dominions in 1928 (1337 F.)	0 5 8	0 5 9	0 3 3	0 4 3	0 2 9	0 6 7	0 4 0

The pre-depression wages—in 1928 (1337 F.)—as given in the statement are distinctly higher. The fall in prices of agricultural commodities caused the lowering of wages. Seasonal labour is in greater demand in Telingana than in Marathwara on account of the extent of irrigated areas there.

In the case of industrial workers, wages are paid monthly to skilled workers and either daily or weekly to unskilled workers.

		DAILY AVERAGE	
		Blacksmiths	Carpenters
Telingana ..	..	1 1 8	1 2 6
Marathwara ..	..	1 2 2	1 5 3
Dominions 1935 (1344 F.)	..	1 1 11	1 3 10
Do 1928 (1337 F.)	..	1 4 6	1 6 10

In perennial factories the hours of work are 9 to 10 per day and 54 for the week. Whereas in seasonal factories they are 11 per day ; 60 hours per week. The cotton textile mills and collieries work 9 hours a day or 45 hours a week. Railway workshops are run for 48 hours in the week. Overtime, according to the provisions of the Hyderabad Factories Act, is fixed at 25 per cent. more than the normal rate. In some factories arrangement exists for providing comforts to the workers in distress, maternity benefits for women and education of children, medical help and grain and cloth shops, recreation grounds and dormitories. Except in the Railway, no trade union exists ; but by collective bargaining with the employers, the mill and factory operatives secure their demands.

Bhagela Legislation :—A noteworthy socio-economic reform is the abolition of “ Bhagela ” and “ Yattipani,” which had been in vogue for a long time in certain parts of Telingana. The Bhagela (serf) served his master lifelong for a debt incurred by him for his marriage. The general rate of payment was food and clothing plus 40 seers of jawar (millet) per year. “ Yattipani ” meant free compulsory service liable to be rendered by outcastes—man or woman—for a nominal wage.

Co-operation.

The Co-operative Credit movement was initiated in these Dominions in 1914 (1323 F.). The initial difficulties in spreading the movement among a relatively backward population, and organising them in the management of their own business were great. Two important objects are kept in view, namely simplicity so as to avoid elaborate schemes beyond the comprehension of the ryots, and elasticity to allow scope for the development of the societies according to local conditions and needs.

There are 39 central banks (in addition to Dominions banks) with a working capital of Rs. 63.47 lakhs.

The societies consist of salary-earners' societies, weavers' societies, cotton sale societies, insurance societies, house-building societies, non-agricultural and agricultural societies. The number of the last category in 1935-36 (1345 F.) was 2,435 with a working capital of 82½ lakhs

and membership of 49,284. Owing to general economic depression the rate of interest on loans made by primary societies was reduced to Rs. 9-6-0 per cent. Loans are given to members of Agricultural and Industrial Societies for productive purposes, non-productive purposes and redemption of past debts. Productive purposes fall into three classes: short term loans for current agricultural operations, and payment of Government taxes and long term loans for permanent land improvements. The un-productive purposes are marriages, birth and death ceremonies, etc. Loans for these purposes are given solely with the idea of preventing individuals from falling into the hands of village money-lenders.

The following figures are of interest :—

Year	No. of Societies	No. of Banks	No. of Members	Working Capital
				Rs.
1935-36 (1345 F.) ..	2,911	40	95,501	2,46,10,007
1934-35 (1344 F.) ..	2,795	40	88,759	2,35,42,391

		1935-36 (1345 F.)	1934-35 (1344 F.)
		Rs.	Rs.
Reserve & other funds ..	..	44,71,649	40,20,859
Shares ..	..	54,52,017	51,55,997
Deposits ..	..	64,45,439	63,55,711
Loans ..	..	66,55,556	66,18,612
Government Loans ..	..	2,75,957	2,95,525
Total ..	..	2,33,00,618	2,24,46,702

Rural Uplift.

The activities of the Agricultural Department which was constituted on a permanent basis in 1918 are directed towards the promotion of the economic welfare of the rural population. Among its activities are, a cattle breeding farm with a dairy attached, and poultry rearing yards. In the agricultural farms in the different parts of these Dominions, experiments are conducted on manurial

values, rotations of crops, use of improved type of implements such as tractors, and power cane-crushers and oil presses, gur-making, sugar-refining, etc. Rural development centres, financed by the Industrial Trust Fund, are visited by village schoolmasters, leading agriculturists and headmen. Illustrated lectures, shows and dramas are also employed as a means of reaching the distant villagers in the matter of rural welfare.

Legislation for the protection of the long staple cotton variety (gaorani) is an important measure. The Hyderabad Farming Association, Poultry Association and the Co-operative Implement Societies are proving valuable agencies for the economic advancement of the rural population. The "Village Improvement Week" is an event of growing importance. Selected cultivators from adjoining villages are invited at Government expense, supplied with meals and shown demonstrations as the use of improved implements, manuring and growing of crops. On occasions of fairs and jattras illustrated lectures are also given.

Rural reconstruction or rural uplift centres are being formed in selected villages in every taluk of the State. A central body for rural reconstruction has been formed with local branches largely non-official in character all over the State.

Public Health.

A well-planned campaign was instituted in 1934 (1343 F.), when a separate Public Health Department was organised. During the brief period of its working the periodicity and virulence of such epidemic diseases as plague, cholera and small-pox have been brought under control. For instance, during the past eight years the average annual rate of mortality from plague is 463, whereas prior to that the rate was 3,170. As a result of compulsory vaccination, 4,10,408 vaccinations were performed last year—only 1,666 deaths from small-pox occurred last year as compared with 8,712 three years ago. Malarial surveys are being conducted in certain areas.

Through the Well Sinking Department, 1,527 wells have been sunk, as part of the Famine protection policy of Government in seven taluks of Raichur district and over 500 wells in three talukas of Gulbarga district—during the

last seven years—at a cost of 28 lakhs of rupees. Many more wells have been repaired and deepened in other districts.

Industries.

The Department of Industries was established in 1921 for encouraging indigenous industries and promoting new industries by modern methods so as to utilise better, the wealth of raw materials in which these Dominions abound.

Surveys of such potential industries as vegetable oils, leather, handloom weaving, desi paper making, fruit cultivation and poultry farming have been carried out and steps have been taken to give the stimulus which the local industries need. Financial assistance and technical advice are given to infant industries the former through the Industrial Trust Fund.

Textile Industry.—Six spinning and weaving mills of fairly large size have been constructed in important cotton centres and are equipped with 124, 716 spindles and 2,134 looms, employing 8,000 persons daily. The yarn made by the power mills is increasing year by year and there has been an appreciable fall in the poundage of yarn imported from outside from 125 lakhs pounds in 1930 (1341 F.) to 72½ lakhs pounds of yarn last year. The mills produced last year 175 lakhs pounds of yarn as compared with 159 lakhs pounds and 111½ pounds in 1934-35 (1344 F.) and 1933-34 (1343 F.) respectively. Of the production in 1935-36 (1345 F.), 20 per cent. was exported. The mills also produced woven goods weighing 9 million pounds last year, as compared with 8 4/5 million pounds in the preceding year, the value being Rs. 57,89,000 and Rs. 56,57,000 respectively. Hyderabad State has about 8,300 cotton gins and 100 cotton presses run by power giving employment to 128,893 males and 65,170 females i.e., 3 per cent. and 2½ per cent. respectively of the total working population.

Handlooms.—Handloom weaving, which is the premier cottage industry, continues to play an important part in the economic welfare of the rural population. Roughly speaking there are 112,000 looms of various descriptions, 170,000 spindles or charkas and 2,000 handginning machines engaging 407,000 weavers a day. The woven goods on handlooms represented last year 3.8 yards per head of population, whereas the local power mills gave only 2.4

yards per head, the total yardage consumed for clothing the population was 12.8 per head in 1935-36 (1345 F.). After contributing its quota for local needs, the handloom industry provided a stock for export valued at Rs. 10 $\frac{4}{5}$ lakhs. The handloom weaver has learnt to weave into his fabric attractive patterns and designs copied from machine-made goods.

Both the power mills and handlooms contributed an export of nearly 10 million yards which represent 0.7 yard per head of Hyderabad population. If this were retained for local use it would only enhance the available yardage to 6.2 yards per capita. The net import of foreign goods works out at the rate of 7.4 yards per head. The Dominions export a very considerable quantity of raw cotton amounting in 1935-36 (1345 F.) to 322,000 bales of lint and 154,000 bales of kapas.

Carpet Industry.—At the Carpet Factory at Warangal, fine quality carpets of different dimensions and of varied patterns are manufactured. A regular trade has been established with the Oriental Carpet Manufacturers, London, for the supply of 1,000 rugs monthly of the cheaper qualities. The supply during the past four years was—

			Rugs
1932	..	..	1,568
1933	..	..	3,956
1934	..	..	5,600
1935	..	..	6,467

Silk Industry.—Silk weaving is another important indigenous industry in almost all parts of the Dominions. In 1345 F. raw silk valued at Rs. 34,15,000 was imported from various sources. The value of finished imported silk last year was Rs. 1,91,000. According to the last census there were 4,183 looms employed in silk weaving. Recently four silk mills have been started in the State.

Blanket Industry.—About 14,000 looms for wool-weaving employing 18,000 persons, in carding, spinning and weaving, are now working in the Dominions. In 1345 F. 36,614 Mds. of raw wool valued at Rs. 3 lakhs were exported, very largely to Mysore and Bombay. In 1935-36 (1345 F.) Rs. 6 $\frac{1}{2}$ lakhs worth of raw and manufactured wool was imported. The export of locally-made blankets has dwindled in recent years because local consumption has increased.

Oil Industry.—A survey of this industry was conducted by the Commerce and Industries Department in 1929-30 (1339 F.) and on the recommendations of the Department, the duty on the export of oil was removed. The result has been that a large number of oil mills started work in the Dominions. The principal oil seeds used are groundnut, castor, cotton, til, linseed, karar and mohwa. Last year oilseed crops occupied 10 per cent. of the total cultivated area.

Oilseeds	AREA IN THOUSAND ACRES			OUTTURN IN THOUSAND TONS		
	1935-36 (1345 F.)	1934-35 (1344 F.)	1933-34 (1343 F.)	1935-36 (1345 F.)	1934-35 (1344 F.)	1933-34 (1343 F.)
Castor ..	833	786	825	57	47	66
Groundnut ..	1,059	961	1,384	287	224	374
Linseed ..	416	399	367	33	34	26
Mustard ..	13	11	12	Less than thousand.		
Sesamum ..	588	509	581	35	22	26
Miscellaneous	562	460	499	18	13	15

The export of oilseeds in 1935-36 (1345 F.) amounted to $7\frac{1}{4}$ million maunds, as compared with $6\frac{1}{2}$ million maunds in the previous year. Out of 1,596 thousand maunds of castor harvested, 1,032 thousand maunds or 65 per cent. were exported. The rest were either retained for sowing or for oil pressing. Only screw presses are employed to extract oil and the result is reported to be uneconomical as only about 42 per cent. of oil is obtained and the rest goes with the cake. Groundnut is the most popular oilseed. Out of 8,035 thousand maunds raised in 1935-36 (1345 F.), about 43 per cent. were exported, the value being Rs. 220 lakhs. The rest was either roasted and consumed or pressed for oil. Linseed cultivation is on the increase. Of the total raised 1,430 thousand maunds valued at Rs. $53\frac{1}{2}$ lakhs were exported. Likewise sesamum seed of the value of Rs. $23\frac{2}{5}$ lakhs was exported. In 1935-36 (1345 F.), about 1,288 thousand maunds of oil cakes were exported to Bombay, Madras and other foreign countries. In 1935-36 (1345 F.) nearly 80,000 tons of vegetable oils valued at Rs. 10,05,000 were imported.

Leather Industry.—The cowhides, tanned sheep and goat skins, buffalo hides, tanning bark, and other substances

are locally available. There are 84 tanneries in the State, of which 30 are of some importance. The tanneries give employment to two thousand workmen. The officer, who made a survey of the leather and hide industry in these Dominions, observed that this trade is one of those where methods of employing local materials have been developed to a high state of efficiency; yet hides valued at Rs. 35 to 50 lakhs are sent to Madras annually.

	EXPORTS IN THOUSAND RUPEES		
	1935-36 (1345 F.)	1934-35 (1344 F.)	1933-34 (1343 F.)
Leather	35,20	29,10	33,09
Hides & Skins	6,04	6,08	5,82

In 1935-36 (1345 F.) as many as 758,000 pairs of boots and shoes alone were imported.

Match Industry.—There are eight factories working, all recently established. Wood is obtained partly from outside and partly from the Dominions (Warangal and Dharur forests). Last year 1935-36 (1345 F.) 697,000 gross boxes were manufactured. In 1935-36 (1345 F.) 128,000 gross boxes valued at Rs. 2½ lakhs were imported. The Dominions are now manufacturing more matches than can be consumed locally.

Other Industrial Activities.—A Cottage Industries Institute was started at a cost of 1¼ lakh of rupees and equipped with another lakh of rupees worth of machinery in order to train in up-to-date methods the common crafts followed in most villages. This institute has the following sections :—(a) Handloom weaving, (b) Dyeing and printing, (c) Knitting, (d) Durrie and Carpet weaving, (e) Wool spinning and blanket weaving, (f) Embroidery and needlework, (g) Ratten work, (h) Toy making and lacquer work, (i) Namdah (felt) work, (j) Silk weaving. A store and workshop are also attached to the institute.

For the sale of produce not only from this institute but from other cottage industrial concerns a *Cottage Industries Sales Depot* was opened in the heart of the City. *District Demonstration Parties* tour in the districts to guide, help, and train the craftsmen at their own homes. They were

successful in the introduction and use of (a) various designs and patterns in the handloom weaving, (b) fly shuttle slays and dobbies, (c) dyeing the stuff in a proper way for all shades of colour.

The Jacquard Institute, Paithan helps the local weavers by advancing raw materials such as dyed yarn, etc., at cost price or on credit on an easy instalment system. The revival of the old gold embroidered saris' industry of this place is the object in view.

The Soap Factory, Hyderabad owned by Government has been recently sold to a private enterprise.

The Alcohol Factory, Kamareddi started work in 1346 Fasli as a central distillery.

Tobacco Industry.—The beedi industry is an old established cottage industry, having 193 registered brands. Recently two cigarette factories have been started and are doing successful business putting in the market 145,570 million cigarettes in 1935-36 (1345 F.).

Other Industries worthy of note are.—*Glass Industry* started in 1928 (1337 F.), *biscuit industry, rice mills, button industry* with five factories and exporting Rs. 2 lakhs worth of buttons, *hume and stoneware pipe and tile industry* with two factories for tiles and one for pipes, the sale of pipe amounting to Rs. 2 lakhs in 1935-36 (1345 F.) and the *paint and varnish industry* producing 40 to 50,000 rupees worth of paint annually.

Technical Institutions.—The principal technical institutions are the Central Technical Institute, the Cottage Industries Institute, the Industrial Institutes at Aurangabad and Nizamabad.

Government Industrial Laboratory.—Under the direction of the Commerce and Industries Department this institution is functioning as an analytical laboratory to help industries and to train people for various vocations. The analysis of samples formed but a part of the laboratory work, its main function being the application of science to industries and of research in various directions.

Industrial Trust Fund.—In 1930 (1339 F.) an Industrial Trust Fund was started with a capital of a crore of rupees as State aid to industries. The capital has been invested in large scale industries within the Dominions and the

dividend and interest received are utilised for the development of small industries, for industrial experiments and demonstrations, for economic and industrial enquiries, for grants to assist industrial and technical research and to give scholarship and assistance to young men to obtain industrial training in places such as V. J. T. I. Bombay; School of Arts and Crafts, Madras; Technological Institute, Cawnpore; Kala Bhavan Institute, Baroda; Jadhav College, Poona. The Industrial Trust Fund also helps Women's Home Industries and such other works as rural reconstruction, poultry keeping, bee-keeping, goat breeding, etc. The Industrial Trust Fund has thus encouraged and supported several modest enterprises and has helped to influence new lines of development.

TRADE.

Total value of Trade (in crores of rupees).

Years	Imports	Exports	Total trade
1935-36 (1345 F.) ..	13.75	14.40	28.15
1934-35 (1344 F.) ..	14.42	11.72	26.14
1933-34 (1343 F.) ..	14.15	13.37	27.52
1932-33 (1342 F.) ..	13.37	13.06	26.43
1931-32 (1341 F.) ..	13.35	10.13	23.48
1930-31 (1340 F.) ..	13.01	13.49	26.50

Although the prices of commodities have fallen, the volume and value of trade have not depreciated. The loss on the agricultural side has been made good to an appreciable extent on the industrial side. The mineral resources are now being tapped to a greater degree. The coal mines yielded a hundred thousand tons more in 1935-36 (1345 F.) than six years previously. There was a larger turnover of the cotton textile industry—power and handloom—and a greater export of raw and finished goods in an increasingly greater volume.

Here, as in other parts of India, the hoarded precious metal, found a ready and profitable market. Gold coins and ornaments were sold for prices, never realised before. In 1929 (1338 F.) the value of gold exported from the Dominions amounted to Rs. 17½ lakhs and in the next year to Rs. 20 lakhs. Thereafter it diminished to Rs. 5 4/5 lakhs in 1935-36 (1345 F.).

Trade statistics of early years are not on record but more recent figures set forth below indicate the growing importance of the Dominions in the commercial world :-

(Value in crores of rupees of dutiable merchandise).

		Imports	Exports
1882-83 (1292 F.)	..	4.03	4.17
1915-16 (1325 F.)	..	7.68	9.48
1925-26 (1335 F.)	..	13.20	16.99
1935-36 (1345 F.)	..	11.74	12.18

The balance of trade has been largely in favour of Hyderabad. Since 1919-20 (1329 F.) it has been so, except in 1924-25 (1334 F.), 1931-32 (1341 F.) and 1934-35 (1344 F.).

The volume of trade in important commodities in 1935-36 (1245 F.) is compared below with that of fifty three years ago :—

In lakhs of Rupees.

Chief commodities	IMPORTS			EXPORTS		
	1935-36 (1245 F.)	1882-83 (1292 F.)	P. C. increase or decrease	1935-36 (1245 F.)	1882-83 (1292 F.)	P. C. in- crease or decrease
Piece goods ..	205	115	+ 78	36	13	+ 177
Yarn ..	52	0.08	+ 6,532	3.8	1.8	+ 111
Cotton ..	..	..	..	544	131	+ 315
Silk (real & artificial) ..	54	18	+ 200	..	..	..
Food grains, etc. ..	76	29	+ 162	115	75	+ 53
Salt ..	59	36	+ 64	..	..	..
Sugar, etc. ..	80	11	+ 627	1.7	8	- 78
Fruits & vegetables. ..	46	14	+ 228	2.5	1.5	+ 66
Livestock ..	12	10	+ 20	27	25.6	+ 6
Oils (minerals & vegetable) ..	88	80	+ 10	106	32	+ 481
Oil cakes ..	..	..	..	30	not availa	ble.
Castor seed ..	..	..	..	56	do	..
Linseed ..	..	..	..	54	68	- 21
Groundnuts ..	..	..	..	220	not availa	ble.
Cotton seeds ..	..	..	..	21	do	..
Sesamum ..	..	..	..	23	58	- 60
Tobacco ..	23	Not availa	ble.	12	not availab	le.
Drugs, etc. ..	14	do	..	..	do	..
Precious, metals (gold & silver) ..	25	do	..	..	do	..
Timber and wood ..	11	0.7	+ 1,471	6	3	+ 100
Metals, ores and manufactures ..	82	17	+ 382	..	..	..
Building material (other than iron) ..	..	Not availab	le.	46	not availa	ble.
Cinema films ..	29	..	..	..	..	..
Paint & colours ..	11	Not availa	ble.	..	not availa	ble.
Paper ..	20	do	..	..	do	..
Coal & Coke ..	..	..	..	29	..	..
Machinery ..	20	do	..	..	do	..
Railway accessories. ..	20	do	..	..	do	..
Vehicles (motors, etc. ..	30	do	..	..	do	..
Other articles ..	128	104	+ 23	14	6.06	- 98
Duty-free merchan- dise ..	84	Not availa	ble ..	223	Not availa	ble ..

Note.—In 1292 F. the item ' Other articles ' includes the figures of all articles which are not available.

An increase of 162 per cent. in the imports and 53 per cent. in exports of grains suggests that a larger part of the land in Hyderabad State is devoted to crops other than food grains, e.g., cotton and oilseeds. Cotton cloth imported has increased by 78 per cent. in value and that exported by 177 per cent. Imports of raw materials intended for local industries have of late been exempted from duty.

Articles	Imports into the Dominions from All-India (in maunds)	Exports from the dominions to All-India (in maunds)	The rank of the Dominions in All-India		Percentage of the Dominions to All-India	
			Imports	Exports	Imports	Exports
1. Cement	.. 3,892	2,861,527	18	3	0.02	16.10
2. Coal & Coke	.. 1,253,232	11,298,391	17	4	0.33	2.92
3. Cotton	.. 2,743	1,292,280	16	6	0.01	5.65
4. Fruits	.. 467,816	9,162	4	15	6.50	0.11
5. Rice ..	.. 1,304,896	17,276	11	15	3.46	0.05
6. Hides & Skins	.. 1,869	45,094	15	3	0.31	7.37
7. Iron & Steel	.. 1,008,992	40,649	12	17	2.49	0.10
8. Kerosene Oil	.. 471,996	1,035	9	16	3.16	0.01
9. Vegetable oils	.. 71,908	520,197	15	4	1.53	11.10
10. Castor	.. 34	1,050,875	14	1	..	64.65
11. Cotton seeds	.. 10,263	795,057	13	3	0.15	11.31
12. Groundnuts	.. 606	2,277,882	18	3	0.01	21.71
13. Linseed	.. 5	1,495,408	18	3	..	19.29
14. Sesamum	.. 791	218,681	17	4	0.04	10.11
15. Salt ..	.. 1,617,020	2,296	6	14	5.73	0.01
16. Teak	.. 142,333	54,398	4	7	7.43	2.82

N.B.—Whole India is divided into 18 principal blocks including: 9 British Provinces, 4 Seaports and 5 Chief Indian States.

The direction of trade is both inter-provincial and foreign. Bombay, Madras, the Central Provinces and Berar and Mysore have direct business transactions. Through the ports of Bombay and Madras a large volume of trade passes overseas. In 1935-36 (1345 F.) 84 per cent. of bones exported went to foreign countries through the Madras port and 12 per cent. through the Bombay port. Likewise Hyderabad consigned 59.5 per cent. of her cement on foreign indent through Bombay and Madras presidencies. Cotton which occupies a dominant place in the export trade of Hyderabad is very largely consigned to foreign countries. According to 1935-36 (1345 F.) returns, 67 per cent. of export went abroad through the Bombay port. Mysore weaving industry took 42,000 maunds of Hyderabad cotton last year. Hyderabad consumes a large supply of cotton yarn and exports her own manufactured yarn to Bombay and through Bombay port to foreign countries, the total quantity in 1935-36 (1345 F.) representing 75 per cent. of exports. Trade with Hyderabad in cotton piece-goods is done principally by Bombay which, in 1935-36 (1345 F.), accounted for 82 per cent. of imports. Hyderabad piece-goods are largely exported to Bombay and Madras. Through Bombay port as much as 80 per cent. of wheat flour comes to these Dominions in 1935-36 (1345 F.). Hyderabad being the largest oil seed producer in India, sent as much as 75 per cent. of her

exports to foreign countries through Bombay and Madras ports in 1935-36 (1345 F.). Oil cakes are largely exported to foreign countries. Madras is the principal exporter of sugar and molasses as well as tobacco to Hyderabad. A large portion of teak import is traced to the Central Provinces while Hyderabad exports her timber and teak to Madras. Madras and Mysore absorb Hyderabad wool.

The indigenous rural bazaars in large populous villages continue to be centres of business for the village population. Improved means of communications and more efficient supervision by local bodies which grant facilities for water supply and accommodation, have made the markets attractive and popular. Particularly is this so with the Regulated Markets which with competitive auction prices and standard weights and measures are popular both with traders and the agriculturists.

With the advancement of trade and the security of capital Hyderabad State has now become popular also with the capitalist. The number of registered Joint Stock Companies is at present 49.

Marketing.

An important measure which has been instituted in the recent past is the *Marketing Act*, whereby the chief markets of the State are organised and the agriculturist secures facilities for marketing his field produce without much interference from the middleman. Marketing Superintendents have been appointed for regulating and recording the market transactions and provide central places for the sale of grain and cotton and forbid the use of unauthorised weights and measures.

Marketing Officers.—A Chief Marketing Officer with well-qualified assistants has been appointed to go into the details of the chief commodities transacted throughout the State, with special attention to their production, varieties, variation in rates of prices, marketing, stocking, preparation, consumption, and their import and export.

Means of Communication and Transport.

The Railways were originally constructed by a Guaranteed British Company with a share capital of two million pound sterling. That Company, which was founded in 1883, acquired a line which then existed and constructed additional lines and managed them until 1909,

when the Hyderabad Government decided to finance all future capital undertaking from Government funds. The next step taken by Government was to acquire the entire railway system. From 1st April 1930 the Company which had managed the Railway for 47 years ceased to exist and the Government became the owners of the Railway. The magnitude of the concern may be gauged from the fact that the net investment of the State on the lines previously owned by the Company was about £3,800,000 (after allowing £400,000 for depreciation). A Railway Board has been appointed by His Exalted Highness, which functions partly in London and partly in Hyderabad.

Since taking over, the Government have developed the system which now extends to 1,350 miles—212 miles of new lines having been opened during the last seven years. In spite of general trade depression the Railway continues to earn a good interest on capital cost of construction. The capital at charge on the lines is about Rs. 15 crores and the net revenue has yielded on the average 7 per cent. on the capital. The construction of 260 miles of additional lines is under consideration.

The Railway carries light traffic, the density of the broad gauge section being 60 per cent. of the average Indian broad gauge system, and that of the metre gauge section, 75 per cent. of the average corresponding lines in India. About two-thirds of the earnings are derived from goods and the rest from passengers. Sixty per cent. of the goods earnings are from grains, coal, oilseeds and cotton.

The railway system helps considerably to economise the time and cost involved in the transport of goods and passengers between north and south and east and west. For instance the Kazipet-Balharsha line has shortened the run between Madras and Delhi by 390 miles and the run to Nagpur by 318 miles. The grain traffic between the Cawnpur areas and Madras is now carried along this route instead of via Bombay or Calcutta as in the former days. The total route mileage is 1347.87 miles—Broad Gauge 688.11 miles and Metre Gauge 659.76 miles. The gross earning from Railways in 1936-37 (1346 F.) were 229 lakhs and net earnings were 108 lakhs.

Motor Buses.—When in 1930 the State became the owner of the Railways, it was thought advisable to introduce a system of road transport services in co-ordination with the Railways. At first a fleet of 27 omnibuses was

introduced. Now there are 269 passenger buses and 46 goods and parcel vehicles and 14 service cars, making a total of 329 operating in the city of Hyderabad, the suburbs, and the districts on a total route mileage of 3,929. The net earnings from the motor bus service in 1936-37 (1346 F.) were Rs. 4 lakhs.

The combined Rail and Road services yielded a net return on the capital at charge of $7\frac{1}{2}$ per cent. in 1936-37. The metal roads in H.E.H. the Nizam's Dominions cover a mileage of 2,888, and unmetalled roads 2,253; making a total of 5,141 miles in the State. Of these, 98 per cent. are maintained by P.W.D., and the rest by Local Funds and Jagirs.

Carts.—Carts are and will remain for a long time the chief means of conveying the agricultural produce of the country. It is part of the transport policy of Government to conserve as much as possible of the traffic to carts.

A comparison of the number of carts during the last two quinquenniums in Hyderabad and in the neighbouring Provinces is given below :—

Provinces	No. of carts in thousands		Percentage of variation between 1930 & 1935
	1935 (1344 F.)	1930 (1339 F.)	
Hyderabad State ..	645	561	+ 15.0
Madras Presidency ..	1,194	1,235	— 3.3
Bombay Presidency ..	678	1,734	— 7.5
C. P. and Berar ..	..	1,112	..

Air Ways.—An Aero-Club for the training of pilots has been started and a subsidy of Rs. 23,300 is given to the Tata Co., for conducting the air service between Madras and Bombay through the city of Hyderabad.

Posts.—In 1865-66 (1275 F.) a regular postal system was introduced in parts of these Dominions at an annual cost of Rs. $1\frac{1}{4}$ lakhs the average annual income being Rs. 11,000.

Service Stamps were introduced in 1872-73 (1282 F.) and withdrawn in 1877-78 (1287 F.) for a short time. In 1876-77 (1286 F.) the Postal Department was reorganised with a Postmaster-General and a number of Inspecting Deputy Postmasters and Karkuns for the divisions and districts.

The postal service is cheaper in these Dominions than in British India. While in latter a post card is 9 pies and a letter cover 12 pies, here the post card is 4 pies and the envelope is 8 pies and that too in the O.S. currency.

The service has made rapid strides in recent years, the number of offices in 1934-35 (1344 F.) being 919. For the convenience of the public 1,163 pillar boxes are located in the city and districts, and the delivery of mails in the outlying villages is secured by the Department by employing as many as 393 village postmen.

The following figures will give some idea of the volume of postal business transacted in 1934-35 (1344 F.) :—

	Articles
Total number of post cards ..	12,162,065
„ Letters, ordinary, registered, insured and V. P. P... ..	15,585,746
„ Newspapers	565,684
„ Parcels	224,419
„ Packets	879,522
Total ..	29,417,436

To the above should be added the number and value of money orders issued and paid, namely, 934,769 and Rs. 17,968,766 respectively.

In 1923 (1332 F.) the savings bank system was introduced and the number of depositors and the total amounts deposited in 1934-35 (1344 F.) being 66,708 and Rs. 1 crore 66 lakhs respectively.

Reciprocal arrangements for the delivering of mails between the British and the Nizam's Post Offices have been sanctioned.

Telegraph Offices are attached to railway stations and British Post Offices in certain important trade centres. The telephone system has recently been extended to some outlying districts.

Banking and Credit.

The money market and banking system of Hyderabad has from olden days been controlled by numerous indigenous bankers such as Marwaris, Mahajans, Sahukars, Shroffs, Pathans and Arabs. References to them are profuse in the early history of Hyderabad.

The Sahukar is to be found in every village, town and city. The class of Sahukar ranges from the small village capitalist to the wealthy, well-established private partnership of merchant bankers with out-agencies in different trading centres.

There is no share capital or capital from deposits and the liability is unlimited. The extent of business done by the indigenous proprietary bankers cannot be easily ascertained. Nor are statistics available of the business done by the Joint Stock Banks run on European lines. The original Joint Stock Bank was a branch of the Bank of Bengal, now known as the Imperial Bank of India. The Central Bank of India, the Andhra Bank, the Cochin Bank, the Quilon Bank, the Deccan Commercial Bank—all registered in British India and Indian States—have since established branches in the city of Hyderabad. Besides, as many as 11 Joint Stock Banks have within recent years come into existence.

The Savings Banks attached to British and Nizam's Post Offices are very popular for small deposits among the middle and lower middle classes. The Savings Bank system in the Nizam's Post Offices was introduced in 1923 (1332 F.). In that year 1,566 persons deposited Rs. 2 lakhs 68 thousand. The system proved so convenient and popular with small investors that the number of depositors has since increased to 66,708 and the amount to 1 crore, 66 lakhs in 1934-35 (1344 F.).

The Co-operative Credit Banks commanded in 1934-35 (1344 F.) a capital of Rs. 38½ lakhs, of which, except 2 lakhs, is held by Government and the rest is owned by the public. Nearly 50 lakhs is the amount of deposits held by these banks.

The State Insurance Department exclusively meant for Government employees showed in 1935-36 (1345 F.) an income from premiums of Rs. 6,59,622. As many as 40 Insurance Companies, registered elsewhere, have established branches in the Dominions, and in addition 3 local concerns are doing extensive business.

Income Tax:—No income tax is at present recovered in the State.

Finances of the State.

Prior to 1843-44 (1253 F.) the finances of the State were in a chaotic condition. There was no public treasury

and there were no accounts. The transactions of the State as a whole were never brought under cognizance of any single individual. The Minister held a nominal control over the State exchequer. The revenue of the State was small and gradually declined to $1\frac{1}{2}$ crores. The expenditure was higher than the revenue and increased year by year. Consequently the deficit in some years amounted to as much as Rs. 30 lakhs. The State commanded little credit.

The chief source of income was land revenue, which amounted to a crore of rupees. The excise duty brought in nearly a lakh, transit duties levied from time to time yielded a revenue of about 4 lakhs. Among the other taxes and cesses levied may be mentioned a tax on the sweepers, palanquin bearers, weavers and herdsmen, vegetable bamboos, hides, straw and marriages and also a tax for "protection against enemies." All these yielded as much as the transit duties. A tax on title deeds, conservancy fees, and a tax on trades and professions brought in a few thousand rupees.

On the expenditure side, the military was the greatest drain on the State. Large portions of land yielding lakhs of revenue were held as military fiefs by nobles for the maintenance of troops. Charitable and honorary grants and allowances, though usually made by assignments of land, absorbed much of the remaining revenue. Education received a few hundreds a year. A like sum was spent on public health. The postal service was maintained at a cost of a few thousands. For Public Works about Rs. 20,000 were set apart annually. There existed no regular police. For "Justice" Rs. 50,000 was provided and for Jails 25,000. Large payments on State ceremonies were met from loans. Interest on debt increased and more revenue of districts had to be hypothecated.

From 1853 proper attention began to be paid to the finances of the State, the State accounts were systematised, the income and expenditure was regulated, mortgages and assignments were reduced and other reforms introduced which raised in a few years the income of the State by fifty lakhs. Then came the restoration of the Raichur district which yielded a revenue of Rs. 27 lakhs.

The land revenue alone advanced from $57\frac{1}{2}$ lakhs in 1873-74 (1283 F.) to 171 lakhs in 1882-83 (1292 F.). On

the other hand numerous cesses and imports—amounting to 20 lakhs—which were of a vexatious and obstructive character impeding trade, were abolished.

This was the first stage of financial reform. The second and most important stage began when the departmentalisation of budget system was introduced, with effect from 1st Azur 1332 F. (6th October 1921). This innovation received the sanction of H.E.H. the Nizam on 24th of Moharrum 1340 H. (22nd Aban 1330 F.—27th September 1921). The main object of this reform is to fix the total grant of each department for a number of years and give it a large measure of autonomy within that grant, subject, of course, to such general restrictions as are necessary to avoid any undesirable development or precedents, and subject also to a rigid and really effective audit. The department must carry out whatever measures of reform it might desire to institute within this grant. If it happens to have any proposals for capital expenditure, it must provide, within its grants, for the amount of interest by which the earnings of the project fall short of the interest charges incurred by the State in financing it. This financial contract runs for a triennium and then revised and holds good for the next triennium. Thus the present triennium which commenced from 1st Azur 1347 F. (6th October 1937) is the sixth of its kind.

The success which attended the new departmentalisation budget scheme and the economic husbanding of State resources may be realised from the following comparative figures of income and expenditure :—

Years		Income	Expenditure	Surplus
		Lakhs	Lakhs	Lakhs
1935-36 (1345 F.)	..	905.62	843.44	62.18
1934-35 (1344 F.)	..	853.21	840.07	13.14
1933-34 (1343 F.)	..	795.27	771.81	23.96
1932-33 (1342 F.)	..	806.18	775.85	30.33
1931-32 (1341 F.)	..	771.95	761.87	10.58

At the close of 1345 F. (1935-36) there was in the Government treasuries a cash balance of Rs. 281 lakhs. The value of currency notes in circulation in 1935-36 (1345 F.) was 12 crores, 49 lakhs of rupees. The main

sources of income are land revenue, excise and opium, customs, forests, registration, stamps, railways and mines. The actual income on these budget heads and the actual expenditure on main heads for the year 1884-85 (1294 F.) and 1935-36 (1345 F.) are shown below in thousands of rupees :—

Main Heads	Income		Expenditure	
	1884-85 (1294 F.)	(1935-36) (1345 F.)	1884-85 (1294 F.)	(1935-36) (1345 F.)
1. Land Revenue ..	1,86,70	3,35,57	29,84	67,45
2. Excise & Opium ..	85,86	1,96,19	1,78	36,90
3. Customs ..	48,25	1,04,67	5,15	20,74
4. Forests ..	1,93	14,03	54	10,15
5. Registration ..	..	3,32	..	1,76
6. Stamps ..	4,09	20,46	85	97
7. Post Office ..	1,17	18,27	2,45	13,96
8. Railways ..	13,31	1,04,00	25,01	1,57
9. Law & Justice ..	2,40	2,34	7,49	23,65
10. Police ..	99	2,26	24,78	65,75
11. Military ..	9	23	70,36	79,66
12. Education ..	8	4,93	2,44	1,03,76
13. Medical ..	..	92	2,03	28,17
14. Administration ..	..	1,01	12,81	42,00
15. Public Works ..	..	1,06	15,85	68,21
16. Municipalities ..	..	5,72	3,77	20,85
17. Agriculture ..	..	35	..	8,06
18. Veterinary	11	..	4,76
19. Co-operation	7	..	4,22
20. Industries	62	..	3,88
21. Mines	3,95	..	89

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